



TO FEDERAL RESERVE BOARD
REGARDING PROPOSED RULE REVISIONS TO REG Z

November 23, 2010

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Proposed Changes to Credit Insurance Disclosures under Regulation Z and the
Truth-in-Lending Act
Docket No. R-1390

Dear Ms. Johnson:

I am writing in opposition to the proposed amendments to the credit insurance and debt protection disclosures under Regulation Z on behalf of Dakota West Credit Union.

We believe that the proposed amendments:

- Discourage members from purchasing payment protection products, thus potentially exposing members to unnecessary financial and credit risks. Protection does matter for those out of work, those who become disabled, those who pass away, or for acts of war for death and disability.
- Cast payment protection products in an extremely negative light and strongly discourage the purchase of these products by consumers. What consumer would even consider purchasing payment protection given the apparent fact that our federal government is advising that they probably don't really need this coverage; they can get the coverage cheaper elsewhere; and even if they buy the coverage, they probably won't be covered anyway.
- Would have a negative effect on our credit union's non-interest fee income and may lead to an increased risk of loan losses and charge-offs due to fewer members purchasing the products.


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- Will cause a significant number of credit union members, who would benefit from these products, to elect not to purchase them because the disclosures lead them to believe payment protection products are bad for consumers.
- Will make it even more difficult for consumers to understand how the APR is calculated, and consumers have always found it difficult to understand which costs are included in the effective APR calculation as it is. APR calculations should be standardized.

Dakota West Credit Union has been offering payment protection products for 69 years. We know our members, and we allow for keeping their best interests in mind when offering payment protection products.

Dakota West Credit Union has always supported fair and accurate disclosures to members who purchase payment protection products, but we feel the proposed disclosures are misleading, inaccurate, and as proposed outweigh any potential benefits for the consumer. We respectfully ask the Federal Reserve Board to withdraw the current proposal to change payment protection disclosures and replace it with revisions that provide the consumer with more accurate and fair information about these payment protection products.

Sincerely,

A handwritten signature in black ink, appearing to read 'Denton Zubke', with a stylized, flowing script.

Denton Zubke
CEO

Dakota West Credit Union
701.444.6484
dentonz@dakotawestcu.org